



94TH GENERAL ASSEMBLY

State of Illinois

2005 and 2006

HB2553

Introduced 2/18/2005, by Rep. Jay C. Hoffman

SYNOPSIS AS INTRODUCED:

40 ILCS 5/14-103.05

from Ch. 108 1/2, par. 14-103.05

40 ILCS 5/14-104

from Ch. 108 1/2, par. 14-104

Amends the State Employee Article of the Illinois Pension Code. Provides that certain individuals who represent or are employed as officers or employees of a statewide labor organization that represents members of the State Employees' Retirement System of Illinois may elect to participate in that System. Provides that certain persons who return to State employment after layoff may establish creditable service for the period of the layoff. Effective immediately.

LRB094 07575 AMC 37744 b

PENSION IMPACT
NOTE ACT MAY
APPLY

1 AN ACT concerning public employee benefits.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Pension Code is amended by
5 changing Sections 14-103.05 and 14-104 as follows:

6 (40 ILCS 5/14-103.05) (from Ch. 108 1/2, par. 14-103.05)
7 Sec. 14-103.05. Employee.

8 (a) Any person employed by a Department who receives salary
9 for personal services rendered to the Department on a warrant
10 issued pursuant to a payroll voucher certified by a Department
11 and drawn by the State Comptroller upon the State Treasurer,
12 including an elected official described in subparagraph (d) of
13 Section 14-104, shall become an employee for purpose of
14 membership in the Retirement System on the first day of such
15 employment.

16 A person entering service on or after January 1, 1972 and
17 prior to January 1, 1984 shall become a member as a condition
18 of employment and shall begin making contributions as of the
19 first day of employment.

20 A person entering service on or after January 1, 1984
21 shall, upon completion of 6 months of continuous service which
22 is not interrupted by a break of more than 2 months, become a
23 member as a condition of employment. Contributions shall begin
24 the first of the month after completion of the qualifying
25 period.

26 The qualifying period of 6 months of service is not
27 applicable to: (1) a person who has been granted credit for
28 service in a position covered by the State Universities
29 Retirement System, the Teachers' Retirement System of the State
30 of Illinois, the General Assembly Retirement System, or the
31 Judges Retirement System of Illinois unless that service has
32 been forfeited under the laws of those systems; (2) a person

1 entering service on or after July 1, 1991 in a noncovered
2 position; or (3) a person to whom Section 14-108.2a or
3 14-108.2b applies.

4 (b) The term "employee" does not include the following:

5 (1) members of the State Legislature, and persons
6 electing to become members of the General Assembly
7 Retirement System pursuant to Section 2-105;

8 (2) incumbents of offices normally filled by vote of
9 the people;

10 (3) except as otherwise provided in this Section, any
11 person appointed by the Governor with the advice and
12 consent of the Senate unless that person elects to
13 participate in this system;

14 (3.1) any person serving as a commissioner of an ethics
15 commission created under the State Officials and Employees
16 Ethics Act unless that person elects to participate in this
17 system with respect to that service as a commissioner;

18 (3.2) any person serving as a part-time employee in any
19 of the following positions: Legislative Inspector General,
20 Special Legislative Inspector General, employee of the
21 Office of the Legislative Inspector General, Executive
22 Director of the Legislative Ethics Commission, or staff of
23 the Legislative Ethics Commission, regardless of whether
24 he or she is in active service on or after July 8, 2004
25 (the effective date of Public Act 93-685), unless that
26 person elects to participate in this System with respect to
27 that service; in this item (3.2), a "part-time employee" is
28 a person who is not required to work at least 35 hours per
29 week;

30 (3.3) any person who has made an election under Section
31 1-123 and who is serving either as legal counsel in the
32 Office of the Governor or as Chief Deputy Attorney General;

33 (4) except as provided in Section 14-108.2 or
34 14-108.2c, any person who is covered or eligible to be
35 covered by the Teachers' Retirement System of the State of
36 Illinois, the State Universities Retirement System, or the

1 Judges Retirement System of Illinois;

2 (5) an employee of a municipality or any other
3 political subdivision of the State;

4 (6) any person who becomes an employee after June 30,
5 1979 as a public service employment program participant
6 under the Federal Comprehensive Employment and Training
7 Act and whose wages or fringe benefits are paid in whole or
8 in part by funds provided under such Act;

9 (7) enrollees of the Illinois Young Adult Conservation
10 Corps program, administered by the Department of Natural
11 Resources, authorized grantee pursuant to Title VIII of the
12 "Comprehensive Employment and Training Act of 1973", 29 USC
13 993, as now or hereafter amended;

14 (8) enrollees and temporary staff of programs
15 administered by the Department of Natural Resources under
16 the Youth Conservation Corps Act of 1970;

17 (9) any person who is a member of any professional
18 licensing or disciplinary board created under an Act
19 administered by the Department of Professional Regulation
20 or a successor agency or created or re-created after the
21 effective date of this amendatory Act of 1997, and who
22 receives per diem compensation rather than a salary,
23 notwithstanding that such per diem compensation is paid by
24 warrant issued pursuant to a payroll voucher; such persons
25 have never been included in the membership of this System,
26 and this amendatory Act of 1987 (P.A. 84-1472) is not
27 intended to effect any change in the status of such
28 persons;

29 (10) any person who is a member of the Illinois Health
30 Care Cost Containment Council, and receives per diem
31 compensation rather than a salary, notwithstanding that
32 such per diem compensation is paid by warrant issued
33 pursuant to a payroll voucher; such persons have never been
34 included in the membership of this System, and this
35 amendatory Act of 1987 is not intended to effect any change
36 in the status of such persons;

1 (11) any person who is a member of the Oil and Gas
2 Board created by Section 1.2 of the Illinois Oil and Gas
3 Act, and receives per diem compensation rather than a
4 salary, notwithstanding that such per diem compensation is
5 paid by warrant issued pursuant to a payroll voucher; or

6 (12) a person employed by the State Board of Higher
7 Education in a position with the Illinois Century Network
8 as of June 30, 2004, who remains continuously employed
9 after that date by the Department of Central Management
10 Services in a position with the Illinois Century Network
11 and participates in the Article 15 system with respect to
12 that employment.

13 (c) An individual who represents or is employed as an
14 officer or employee of a statewide labor organization that
15 represents members of this System may participate in the System
16 and shall be deemed an employee, provided that (1) the
17 individual has previously earned creditable service under this
18 Article, (2) the individual files with the System an
19 irrevocable election to become a participant, and (3) the
20 individual does not receive credit for that employment under
21 any other provision of this Code. An employee under this
22 subsection (c) is responsible for paying to the System both (i)
23 employee contributions based on the actual compensation
24 received for service with the labor organization and (ii)
25 employer contributions based on the percentage of payroll
26 certified by the board; all or any part of these contributions
27 may be paid on the employee's behalf or picked up for tax
28 purposes (if authorized under federal law) by the labor
29 organization.

30 A person who is an employee as defined in this subsection
31 may establish service credit for similar employment prior to
32 becoming an employee under this subsection by paying to the
33 System for that employment the contributions specified in this
34 subsection, plus interest at the effective rate from the date
35 of service to the date of payment. However, credit shall not be
36 granted under this subsection for any such prior employment for

1 which the applicant received credit under any other provision
2 of this Code, or during which the applicant was on a leave of
3 absence.

4 (Source: P.A. 92-14, eff. 6-28-01; 93-685, eff. 7-8-04; 93-839,
5 eff. 7-30-04; 93-1069, eff. 1-15-05.)

6 (40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

7 Sec. 14-104. Service for which contributions permitted.
8 Contributions provided for in this Section shall cover the
9 period of service granted. Except as otherwise provided in this
10 Section, the contributions shall be based upon the employee's
11 compensation and contribution rate in effect on the date he
12 last became a member of the System; provided that for all
13 employment prior to January 1, 1969 the contribution rate shall
14 be that in effect for a noncovered employee on the date he last
15 became a member of the System. Except as otherwise provided in
16 this Section, contributions permitted under this Section shall
17 include regular interest from the date an employee last became
18 a member of the System to the date of payment.

19 These contributions must be paid in full before retirement
20 either in a lump sum or in installment payments in accordance
21 with such rules as may be adopted by the board.

22 (a) Any member may make contributions as required in this
23 Section for any period of service, subsequent to the date of
24 establishment, but prior to the date of membership.

25 (b) Any employee who had been previously excluded from
26 membership because of age at entry and subsequently became
27 eligible may elect to make contributions as required in this
28 Section for the period of service during which he was
29 ineligible.

30 (c) An employee of the Department of Insurance who, after
31 January 1, 1944 but prior to becoming eligible for membership,
32 received salary from funds of insurance companies in the
33 process of rehabilitation, liquidation, conservation or
34 dissolution, may elect to make contributions as required in
35 this Section for such service.

1 (d) Any employee who rendered service in a State office to
2 which he was elected, or rendered service in the elective
3 office of Clerk of the Appellate Court prior to the date he
4 became a member, may make contributions for such service as
5 required in this Section. Any member who served by appointment
6 of the Governor under the Civil Administrative Code of Illinois
7 and did not participate in this System may make contributions
8 as required in this Section for such service.

9 (e) Any person employed by the United States government or
10 any instrumentality or agency thereof from January 1, 1942
11 through November 15, 1946 as the result of a transfer from
12 State service by executive order of the President of the United
13 States shall be entitled to prior service credit covering the
14 period from January 1, 1942 through December 31, 1943 as
15 provided for in this Article and to membership service credit
16 for the period from January 1, 1944 through November 15, 1946
17 by making the contributions required in this Section. A person
18 so employed on January 1, 1944 but whose employment began after
19 January 1, 1942 may qualify for prior service and membership
20 service credit under the same conditions.

21 (f) An employee of the Department of Labor of the State of
22 Illinois who performed services for and under the supervision
23 of that Department prior to January 1, 1944 but who was
24 compensated for those services directly by federal funds and
25 not by a warrant of the Auditor of Public Accounts paid by the
26 State Treasurer may establish credit for such employment by
27 making the contributions required in this Section. An employee
28 of the Department of Agriculture of the State of Illinois, who
29 performed services for and under the supervision of that
30 Department prior to June 1, 1963, but was compensated for those
31 services directly by federal funds and not paid by a warrant of
32 the Auditor of Public Accounts paid by the State Treasurer, and
33 who did not contribute to any other public employee retirement
34 system for such service, may establish credit for such
35 employment by making the contributions required in this
36 Section.

1 (g) Any employee who executed a waiver of membership within
2 60 days prior to January 1, 1944 may, at any time while in the
3 service of a department, file with the board a rescission of
4 such waiver. Upon making the contributions required by this
5 Section, the member shall be granted the creditable service
6 that would have been received if the waiver had not been
7 executed.

8 (h) Until May 1, 1990, an employee who was employed on a
9 full-time basis by a regional planning commission for at least
10 5 continuous years may establish creditable service for such
11 employment by making the contributions required under this
12 Section, provided that any credits earned by the employee in
13 the commission's retirement plan have been terminated.

14 (i) Any person who rendered full time contractual services
15 to the General Assembly as a member of a legislative staff may
16 establish service credit for up to 8 years of such services by
17 making the contributions required under this Section, provided
18 that application therefor is made not later than July 1, 1991.

19 (j) By paying the contributions otherwise required under
20 this Section, plus an amount determined by the Board to be
21 equal to the employer's normal cost of the benefit plus
22 interest, but with all of the interest calculated from the date
23 the employee last became a member of the System or November 19,
24 1991, whichever is later, to the date of payment, an employee
25 may establish service credit for a period of up to 2 years
26 spent in active military service for which he does not qualify
27 for credit under Section 14-105, provided that (1) he was not
28 dishonorably discharged from such military service, and (2) the
29 amount of service credit established by a member under this
30 subsection (j), when added to the amount of military service
31 credit granted to the member under subsection (b) of Section
32 14-105, shall not exceed 5 years. The change in the manner of
33 calculating interest under this subsection (j) made by this
34 amendatory Act of the 92nd General Assembly applies to credit
35 purchased by an employee on or after its effective date and
36 does not entitle any person to a refund of contributions or

1 interest already paid.

2 (k) An employee who was employed on a full-time basis by
3 the Illinois State's Attorneys Association Statewide Appellate
4 Assistance Service LEAA-ILEC grant project prior to the time
5 that project became the State's Attorneys Appellate Service
6 Commission, now the Office of the State's Attorneys Appellate
7 Prosecutor, an agency of State government, may establish
8 creditable service for not more than 60 months service for such
9 employment by making contributions required under this
10 Section.

11 (l) By paying the contributions otherwise required under
12 this Section, plus an amount determined by the Board to be
13 equal to the employer's normal cost of the benefit plus
14 interest, a member may establish service credit for periods of
15 less than one year spent on authorized leave of absence from
16 service, provided that (1) the period of leave began on or
17 after January 1, 1982 and (2) any credit established by the
18 member for the period of leave in any other public employee
19 retirement system has been terminated. A member may establish
20 service credit under this subsection for more than one period
21 of authorized leave, and in that case the total period of
22 service credit established by the member under this subsection
23 may exceed one year. In determining the contributions required
24 for establishing service credit under this subsection, the
25 interest shall be calculated from the beginning of the leave of
26 absence to the date of payment.

27 (m) Any person who rendered contractual services to a
28 member of the General Assembly as a worker in the member's
29 district office may establish creditable service for up to 3
30 years of those contractual services by making the contributions
31 required under this Section. The System shall determine a
32 full-time salary equivalent for the purpose of calculating the
33 required contribution. To establish credit under this
34 subsection, the applicant must apply to the System by March 1,
35 1998.

36 (n) Any person who rendered contractual services to a

1 member of the General Assembly as a worker providing
2 constituent services to persons in the member's district may
3 establish creditable service for up to 8 years of those
4 contractual services by making the contributions required
5 under this Section. The System shall determine a full-time
6 salary equivalent for the purpose of calculating the required
7 contribution. To establish credit under this subsection, the
8 applicant must apply to the System by March 1, 1998.

9 (o) A member who participated in the Illinois Legislative
10 Staff Internship Program may establish creditable service for
11 up to one year of that participation by making the contribution
12 required under this Section. The System shall determine a
13 full-time salary equivalent for the purpose of calculating the
14 required contribution. Credit may not be established under this
15 subsection for any period for which service credit is
16 established under any other provision of this Code.

17 (p) By paying the contributions required under this
18 Section, plus an amount determined by the Board to be equal to
19 the employer's normal cost of the benefit plus interest, an
20 employee who was laid off but returned to State employment
21 under circumstances in which the employee is considered to have
22 been in continuous service for purposes of determining
23 seniority may establish creditable service for the period of
24 the layoff, provided that the applicant does not receive credit
25 for that period under any other provision of this Code. For
26 service established under this subsection, the required
27 employee contribution shall be based on the rate of
28 compensation earned by the employee on the date of returning to
29 employment after the layoff and the contribution rate then in
30 effect, and the required interest shall be calculated from the
31 date of returning to employment after the layoff to the date of
32 payment.

33 (Source: P.A. 92-54, eff. 7-12-01.)

34 Section 99. Effective date. This Act takes effect upon
35 becoming law.